

**GOVERNMENT OF INDIA
NEW AND RENEWABLE ENERGY
LOK SABHA**

UNSTARRED QUESTION NO:767

ANSWERED ON:03.12.2015

Biomass Based Energy

Mahto Dr. Banshilal

Will the Minister of NEW AND RENEWABLE ENERGY be pleased to state:

- (a) whether Bio-energy is one of the important sources of electricity in the rural areas in various States in the country;
- (b) if so, the details thereof and the details of funds sanctioned and utilized by various states for electricity generation through Bio-mass along with the outcome thereof, during each of the last three years and the current year;
- (c) whether a large number of Bio-mass based electricity generation units are lying unused or functioning below their installed capacity due to low tariff; and
- (d) if so, the details thereof and reformative/corrective steps being taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR POWER, COAL & NEW AND RENEWABLE ENERGY (INDEPENDENT CHARGE) (SHRI PIYUSH GOYAL)

(a): Yes, Madam.

(b): The government does not have a scheme to finance the states directly for biomass power/cogeneration projects, however the Government encourages setting up of biomass power cogeneration projects in the country by providing financial incentives in the form of subsidy and fiscal incentives such as accelerated depreciation, relief from taxes and duties, term loan from Indian Renewable Energy Development Agency (IRERDA) and other financial institutions including nationalized banks.

(c): No Madam, few plants are not finding the operations economically viable in view of increased prices of biomass due to other competitive users like brick kiln and cooking.

(d): Ministry of New and Renewable Energy is pursuing with SERCs to notify the tariffs as per guidelines of Central Electricity Regulatory Commission (CERC) as some of the SERCs such as Gujarat, Karnataka, Madhya Pradesh, Odisha and Tamil Nadu have fixed lower tariffs than CERC.
